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NEWS

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PG&E, ENERGY COMMISSION UNVEIL BATTERY ENERGY STORAGE IN SAN JOSE

SAN JOSE, Calif. —Pacific Gas and Electric Company (PG&E) and the California Energy Commission today unveiled an innovative battery energy storage system pilot project to better balance power needs of the electric grid. An official ribbon-cutting ceremony for the project was held at HGST, Inc's facility in east San Jose.

The Yerba Buena Battery Energy Storage System Pilot Project charges batteries when demand is low and then sends reserved power to the grid when demand grows. The system has the potential to provide important services for balancing energy supply and demand, helping to support greater integration of intermittent renewable generation, as well as improving power quality and reliability for customers.

"Battery storage holds tremendous promise in helping electric utilities like PG&E enhance the overall reliability of an ever-changing energy supply," said Greg Kiraly, PG&E's senior vice president of distribution operations. "This pilot project will provide critical, real-world data on the technical and financial performance of battery energy storage to help us understand how battery storage devices can serve PG&E's customers and the overall electric grid."

The project was made possible thanks to a $3.3 million grant from the Energy Commission to PG&E that will help fund the installation and evaluation of the system.

"Investments in energy storage are critical to California reaching its renewable energy goals," said Energy Commission Chair Robert B. Weisenmiller. "Energy storage demonstrations like the Yerba Buena battery storage system in San Jose will improve efficiency and reliability in the electricity supply and facilitate the integration of clean, intermittent renewable resources, such as solar and wind, within the electrical grid."

This smart grid project is a utility-scale sodium-sulfur battery energy storage project. It has a 4 megawatt capacity, and can store more than six hours of energy.

PG&E is working in close coordination with the Electric Power Research Institute (EPRI) to study how sodium-sulfur battery energy storage can improve power quality and reliability, support

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greater integration of intermittent renewable power, and supply energy to California's electricity market, overseen by the California Independent System Operator. EPRI's reports will be made available to the public.

S&C Electric Company is the engineering, procurement and construction contractor for the project and supplied the storage management system and power conversion equipment that control the battery's AC input/output and its interface with the electric grid. NGK Insulators is the manufacturer of the sodium sulfur (NaS) battery system which includes the battery modules and control system for managing DC input/output and other parameters for maximizing module longevity.

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with 20,000 employees, the company delivers some of the nation's cleanest energy to 15 million people in Northern and Central California. For more information, visit www.pge.com/about/newsroom/ or www.pgecurrents.com.

The California Energy Commission is the state's primary energy policy and planning agency. Created by the Legislature in 1974 and located in Sacramento, six basic responsibilities guide the Energy Commission as it sets state energy policy: forecasting future energy needs; licensing thermal power plants 50 megawatts or larger; promoting energy efficiency and conservation by setting the state's appliance and building efficiency standards; supporting public interest energy research that advances energy science and technology through research, development, and demonstration programs; developing renewable energy resources and alternative renewable energy technologies for buildings, industry and transportation; planning for and directing state response to energy emergencies. For more information, visit: www.energy.ca.gov or www.energy.ca.gov/releases/.